

# COMMITTEE REPORT

## MR. PRESIDENT:

**The Senate Committee on Health and Provider Services, to which was referred House Bill No. 1163, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:**

1       Page 1, between the enacting clause and line 1, begin a new  
2       paragraph and insert:  
3       "SECTION 1. IC 27-8-5-1 IS AMENDED TO READ AS  
4       FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. (a) The term "policy  
5       of accident and sickness insurance", as used in this chapter, includes  
6       any policy or contract covering one (1) or more of the kinds of  
7       insurance described in Class 1(b) or 2(a) of IC 27-1-5-1. Such policies  
8       may be on the individual basis under this section and sections 2  
9       through 9 of this chapter, on the group basis under this section and  
10      sections 16 through ~~19~~ **19.2** of this chapter, on the franchise basis  
11      under this section and section 11 of this chapter, or on a blanket basis  
12      under section 15 of this chapter and (except as otherwise expressly  
13      provided in this chapter) shall be exclusively governed by this chapter.  
14      (b) No policy of accident and sickness insurance may be issued or  
15      delivered to any person in this state, nor may any application, rider, or  
16      endorsement be used in connection with an accident and sickness  
17      insurance policy until a copy of the form of the policy and of the  
18      classification of risks and the premium rates, or, in the case of  
19      assessment companies, the estimated cost pertaining thereto, have been  
20      filed with the commissioner. This section is applicable also to

1 assessment companies and fraternal benefit associations or societies.

2 (c) No policy of accident and sickness insurance may be issued, nor  
3 may any application, rider, or endorsement be used in connection with  
4 a policy of accident and sickness insurance, until the expiration of  
5 thirty (30) days after it has been filed under subsection (b), unless the  
6 commissioner gives his written approval to it before the expiration of  
7 the thirty (30) day period.

8 (d) The commissioner may, within thirty (30) days after the filing of  
9 any form under subsection (b), disapprove the form:

10 (1) if, in the case of an individual accident and sickness form, the  
11 benefits provided therein are unreasonable in relation to the  
12 premium charged; or

13 (2) if, in the case of an individual, blanket, or group accident and  
14 sickness form, it contains a provision or provisions that are unjust,  
15 unfair, inequitable, misleading, or deceptive or that encourage  
16 misrepresentation of the policy.

17 (e) If the commissioner notifies the insurer that filed a form that the  
18 form does not comply with this section, it is unlawful thereafter for the  
19 insurer to issue the form or use it in connection with any policy. In the  
20 notice given under this subsection, the commissioner shall specify the  
21 reasons for his disapproval and state that a hearing will be granted  
22 within twenty (20) days after request in writing by the insurer.

23 (f) The commissioner may at any time, after a hearing of which not  
24 less than twenty (20) days written notice has been given to the insurer,  
25 withdraw his approval of any form filed under subsection (b) on any of  
26 the grounds stated in this section. It is unlawful for the insurer to issue  
27 the form or use it in connection with any policy after the effective date  
28 of the withdrawal of approval. The notice of any hearing called under  
29 this subsection must specify the matters to be considered at the hearing,  
30 and any decision affirming disapproval or directing withdrawal of  
31 approval under this section must be in writing and must specify the  
32 reasons for the decision.

33 (g) Any order or decision of the commissioner under this section is  
34 subject to review under IC 4-21.5."

35 Page 3, between lines 23 and 24, begin a new line double block  
36 indented and insert:

37 **"(H) The waiver is included on the list of waivers**  
38 **established by the commissioner under subsection (i)."**

1       Page 3, line 27, after "coverage." insert **"The initialed written**  
 2 **notice must be returned to the insurer before the insurer issues a**  
 3 **policy that contains a waiver under this section."**

4       Page 4, between lines 3 and 4, begin a new paragraph and insert:

5       **"(i) The commissioner shall adopt rules under IC 4-22-2 to**  
 6 **establish a list of waivers, based on a list of diagnostic and**  
 7 **procedure codes (as described in IC 27-8-22.1-5(a)(1)), that may be**  
 8 **contained in a policy under this section.**

9       **(j) A policy that contains a waiver under this section is**  
 10 **presumed to provide coverage for a condition, complication,**  
 11 **service, or treatment for which coverage is not specifically**  
 12 **excluded under:**

13       **(1) a waiver under this section; or**

14       **(2) the terms of the policy."**

15       Page 5, between lines 10 and 11, begin a new line double block  
 16 indented and insert:

17       **"(H) The waiver is included on the list of waivers**  
 18 **established by the commissioner under subsection (h)."**

19       Page 5, line 15, after "coverage." insert **"The initialed written**  
 20 **notice must be returned to the insurer before the insurer issues a**  
 21 **policy that contains a waiver under this section."**

22       Page 5, between lines 34 and 35, begin a new paragraph and insert:

23       **"(h) The commissioner shall adopt rules under IC 4-22-2 to**  
 24 **establish a list of waivers, based on a list of diagnostic and**  
 25 **procedure codes (as described in IC 27-8-22.1-5(a)(1)), that may be**  
 26 **contained in a policy under this section.**

27       **(i) A policy that contains a waiver under this section is**  
 28 **presumed to provide coverage for a condition, complication,**  
 29 **service, or treatment for which coverage is not specifically**  
 30 **excluded under:**

31       **(1) a waiver under this section; or**

32       **(2) the terms of the policy."**

33       Page 10, after line 24, begin a new paragraph and insert:

34       **"SECTION 10. [EFFECTIVE JULY 1, 2002] (a) Notwithstanding**  
 35 **IC 27-8-5-2.5(i) and IC 27-8-5-19.2(h), both as added by this act,**  
 36 **the commissioner of the department of insurance shall carry out**  
 37 **the duties imposed upon the commissioner under IC 27-8-5-2.5(i)**  
 38 **and IC 27-8-5-19.2(h), both as added by this act, under interim**

1       written guidelines approved by the commissioner of the  
2       department of insurance.

3       (b) This SECTION expires on the earlier of the following:

4           (1) The date rules are adopted under IC 27-8-5-2.5(i) and  
5           under IC 27-8-5-19.2(h), both as added by this act.

6           (2) June 30, 2004."

7       Renumber all SECTIONS consecutively.

(Reference is to HB 1163 as reprinted January 30, 2002.)

**and when so amended that said bill do pass.**

Committee Vote: Yeas 6, Nays 3.

---

**Miller**

**Chairperson**